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NOTE BY THE SECRETARY-GENERAL

The Secretary-General has the honour to transmit to the members of the Security Council the attached letter dated 8 April 1997, which he has received from the Acting Director General of the International Atomic Energy Agency (IAEA).

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Annex

Letter dated 8 April 1997 from the Director General of the International Atomic Energy Agency to the Secretary-General

In paragraph 16 of its resolution 1051 (1996) of 27 March 1996, the Security Council called for the consolidation of the periodic requirements for progress reports under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General to submit such consolidated reports every six months to the Council, commencing on 11 April 1996.

Accordingly, I am requesting you kindly to transmit to the President of the Security Council the enclosed third such consolidated semi-annual report under paragraph 16 of resolution 1051 (1996). I remain available for any consultations you or the Council may wish to have.

(Signed) Hans BLIX
Director General

Appendix

Third consolidated report of the Director General of the International Atomic Energy Agency under paragraph 16 of UNSC resolution 1051 (1996)

I. INTRODUCTION

1. In paragraph 16 of resolution 1051, adopted on 27 March 1996, the Security Council called for the consolidation of the periodic progress reports required under resolutions 699 (1991), 715 (1991) and 1051 (1996), and requested the Director General of the IAEA to submit such a consolidated report every six months to the Council, commencing on 11 April 1996.

2. The Director General submits herewith the third[1] such consolidated report under paragraph 16 of resolution 1051 (1996).

3. The report records, inter alia, the IAEA's implementation of its ongoing monitoring and verification (OMV) Plan; indicates the need to revise certain parts of Annex 3 to the Plan; provides examples of Iraq's continuing ability to import technological equipment; records the need for Iraq to improve the quality of its biannual declarations under the OMV Plan; outlines discussions and verification activities related to Iraq's "full, final and complete declaration" (FFCD) of its former nuclear weapons programme; and draws attention to grave concerns about Iraq's obstruction of the unrestricted right of the IAEA and the UN Special Commission (UNSCOM) to use rotary and fixed wing aircraft in Iraq and the impact of this obstruction on the IAEA's ability to fully implement its OMV Plan.

II. INSPECTION RELATED ACTIVITIES

A. ONGOING MONITORING AND VERIFICATION

4. In the period under review (2 October 1996 - 31 March 1997), the Baghdad-based IAEA Nuclear Monitoring Group (NMG) conducted more than 200 monitoring inspections at some 91 sites, 28 of which were carried out at sites which had not been previously inspected. This brings the total number of OMV inspections, since the establishment of the NMG in August 1994, to over 850. The majority of these inspections were carried out with

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[1] The previous consolidated reports by the Director General of the IAEA were circulated as document S/1996/261 on 11 April 1996 and as document S/1996/833 on 7 October 1996.

no prior announcement and a number of them were conducted in co-operation with UNSCOM monitoring groups. No indication of prohibited equipment, materials or activities was detected during these inspections.

5. Nonetheless, Iraq is still able to import technological equipment, recent examples of which include a plasma spray machine, a general purpose CNC milling machine and personal computer components having 1996-generation microprocessors. These items were imported through trans-shipment, via neighbouring countries, thus avoiding the identification of Iraq as the end-user. There is no indication of attempts on the part of Iraq to disguise these imports and the plasma spray machine, which unambiguously conforms to the specification in Annex 3 to the OMV Plan and was imported prior to the 27 May 1996 entry into force of the import/export mechanism, was correctly included in Iraq's biannual declaration for the receiving facility.

6. Experience gained in the practical implementation of the OMV Plan has shown the need for a number of revisions to the specifications of certain dual-use equipment and materials detailed in Annex 3. For example, the specification of electronic digital computers should be revised to take account of the escalation, in recent years, in theoretical operational capabilities of what have become commonplace microprocessors and the need to cover computer sub-assemblies. There is also a need to examine the possible introduction of a limit to the total quantity of tritium that may be accumulated in the form of luminescent devices.

7. The NMG has continued its ongoing programme of interviews of key personnel of the former Iraqi nuclear weapons programme. These interviews permit the IAEA to clarify points regarding the former programme and, in particular, to verify the current assignments of such personnel.

8. The eighth periodic radiometric survey of Iraq's main water bodies was conducted from 15 to 23 October 1996. Samples of water, sediments and biota were collected at 16 sites selected at random from the more than 50 locations for which baseline data had been established in the original survey completed in November 1992. Samples were also taken from two locations at a water treatment plant south-east of Baghdad.

9. The results of previous surveys have shown no indication of Iraq having carried out any proscribed nuclear activities but have confirmed the

sensitivity of the technology by its ability to detect clear indications of Iraq's legitimate use of radioisotopes in medical applications.

10. With the assistance of Member States the IAEA continues to improve the capabilities of its OMV activities by the introduction of improved technology. Equipping of the NMG environmental sample screening laboratory, located in the Baghdad Monitoring and Verification Centre, will commence in April 1997. Other efforts are currently focused on the introduction of improved equipment for aerosol sampling and fixed-point and land-vehicle-based radiometric surveys. With the support of the Governments of France, Chile and Germany, work is in progress to reconfigure the gamma-spectrometric equipment package to suit the Chilean UH-1H helicopter to facilitate the reintroduction of aerial radiometric surveys.

11. The IAEA and UNSCOM have continued their implementation of a joint programme of inspection of Iraqi sites which, in the judgement of IAEA/UNSCOM, are deemed to have capabilities suitable for conducting work on some aspect of weapons of mass destruction, notwithstanding the lack of evidence or indication of such work. The carrying out of joint IAEA/UNSCOM multi-disciplinary inspections at "capable" sites on a regular basis continues to contribute to the effectiveness of the OMV Plans to detect any attempt by Iraq to conduct activities proscribed by Security Council resolutions. In the period under review, 20 inspections at "capable" sites - co-ordinated by the IAEA - were conducted by joint IAEA/UNSCOM teams. No indication of prohibited equipment, materials or activities was detected.

B. IRAQ'S "FULL, FINAL AND COMPLETE DECLARATION"

12. As previously reported, resulting from the revelations following the departure from Iraq, in August 1995, of Lt. General Hussein Kamel, the IAEA required Iraq to provide a revised and self-contained, "full, final and complete declaration" (FFCD) of its past nuclear programme. Detailed discussions between the IAEA and Iraq on two successive draft versions of this declaration resulted in Iraq's production of a third version which was received at the IAEA's Vienna headquarters on 17 September 1996. This version was again subjected to detailed technical examination by the IAEA, aided by experts from Member States and a series of meetings were held in February 1997 to discuss, with the Iraqi counterpart, the matters arising

from the examination. Iraq provided a written response to the matters discussed and this response is currently under evaluation, again with the assistance of Member State experts, in order to determine whether the incorporation of the information, provided in Iraq's response, into the current (third) draft of the FFCD will provide an acceptably comprehensive declaration of Iraq's former nuclear weapons programme.

13. In parallel with this evaluation the IAEA has made further progress in its endeavours to verify the statements made in the FFCD regarding the burial of materials and equipment which had been destroyed, either as a direct result of the Gulf War, or through Iraq's unilateral post-war action. Three principal burial sites to the south of Lake Tharthar have been thoroughly searched using sub-surface sensing technologies and all metallic items, so detected, have been excavated. The material and equipment recovered originate from Iraq's past gaseous diffusion and gas centrifuge uranium enrichment programmes and initial assessment indicates that the number and nature of items found are not inconsistent with the statements made in the FFCD, although further evaluation is required. The bulk of the recovered equipment had, consistent with Iraq's declaration, been destroyed; however, there was also a large number of specialised corrosion resistant valves, with an estimated value of hundreds of thousands of dollars, which were in "as-new" condition. The Iraqi counterpart has been asked to explain the origin and intended purpose of these valves. Similar excavation and recovery work is currently underway at the Tuwaitha site and is expected to be completed within a few weeks.

14. Despite these practical measures, the level of confidence in the verification of the FFCD would be enhanced by the provision, by Iraq, of additional documentation, relating, in particular, to centrifuge enrichment and weaponisation.

C. IRAQI DOCUMENTATION

15. In earlier discussions with the Iraqi counterpart, the IAEA had asserted that Iraq's stated abandonment of its former nuclear weapons programme and the reassignment of the related industrial and research assets, must have been recorded in official documentation. As a result the IAEA was provided, in February, with copies of official documentation recording the dissolution of project "Petrochemical 3", the cover name

given to Iraq's nuclear weapons programme and the redefinition of the missions of several establishments formerly associated with that programme. These documents have been translated and are currently being reviewed. Access to authentic documentation of such nature is an essential component of the IAEA's verification of the status of Iraq's former nuclear weapons programme. Additional documentation will be requested as necessary.

D. INFORMATION MANAGEMENT

16. The databases of the Action Team's computerised information system have been updated to include information obtained from inspection activities and the more detailed information declared by Iraq with respect to materials and equipment used in its past nuclear weapons programme. These updates include the previous and current locations of these materials and items of equipment, their operational status, detailed specifications, purposes of use, projects and procurement history. The optical image databases are being expanded to include information on site plans, buildings, and equipment for sites which are routinely monitored. Progress has been made in the design and development of the prototype of a computerised export/import information system to be used by the Action Team in the context of UNSC resolution 1051 (1996). Databases have been created containing the text of Iraq's FFCD and its annexes of related equipment and materials, to facilitate the analysis of its completeness.

E. PROVISION OF INFORMATION BY IRAQ UNDER THE OMV PLAN

17. Under paragraph 22 and Annex 2 of the OMV Plan (document S/22872 Rev.1 and Corr. 1 (1991)), Iraq provides biannual declarations - in January and July - on the current use of facilities, installations and sites, including those formerly involved in its covert nuclear programme and on changes during the previous six months regarding the inventory and location of materials, equipment and radioisotopes identified in Annexes 3 and 4 of the Plan.

18. In November 1996, the Iraqi National Monitoring Directorate (NMD) was asked to include supplementary information in the declarations of the current activities at certain sites involved in the production of materials, equipment and components, as well as sites involved in design and in research and development work. The supplementary information, which

includes detailed descriptions of the current usage of the declared equipment and materials, is intended to improve the efficiency of IAEA monitoring and verification activities in Iraq. The Action Team's review of the January 1997 declaration showed that only part of the required supplementary information had been included and Iraq, through the NMD, has requested clarifications of some of the required information elements. It is expected that this matter will be resolved in the near future. Although tangible progress has been made, there remains the need to improve the quality and completeness of the information declared by Iraq. Increased priority is being given to this matter.

F. RELEASE, RELOCATION AND CHANGE OF USE OF EQUIPMENT, MATERIAL AND FACILITIES

19. In the period under review, the NMD has submitted 14 requests to the IAEA concerning the release/relocation of equipment and materials or change of use of monitored buildings. Such requests are processed in consultation with the Special Commission and 8 have been approved. Items for which release, relocation or change of use is approved remain subject to ongoing monitoring and verification at a frequency commensurate with their significance.

III. HIGH-LEVEL TECHNICAL TALKS

20. On 7 March 1997, Iraq's Foreign Minister, Mohammed Said Al Sahaf, met with the Director General at the IAEA headquarters in Vienna to discuss current issues which were of concern to the Iraqi government. Foreign Minister Al Sahaf's principal objective was to determine specifically which matters remained to be cleared before the IAEA would be in a position to report to the Security Council on the status of IAEA activities with respect to Iraq's fulfilment of its obligations under resolution 687 (1991). In response the Director General expressed his appreciation of Iraq's concern but considered that it was inappropriate, at this stage, to specify in detail the outstanding matters. Foreign Minister Al Sahaf nonetheless emphasised Iraq's commitment to provide full co-operation to the IAEA in order that all matters might be resolved as soon as possible.

21. The Director General took the opportunity to discuss with Foreign Minister Al Sahaf, Iraq's commitments, under Security Council resolutions

687 (1991) and 707 (1991), to reaffirm unconditionally its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons and to comply fully with its Safeguards Agreement with the IAEA. The Director General also referred to the goal of establishing in the Middle East a zone free from weapons of mass destruction, as discussed in paragraph 14 of resolution 687(1991) and brought to the attention of Foreign Minister Al Sahaf the Safeguards technical workshop - for experts from the Middle East and other states - which is to be held at the IAEA headquarters from 12 to 15 May 1997.

22. The Director General expressed his grave concern about Iraq's obstruction of the right of the IAEA and UNSCOM to operate fixed-wing aircraft in Iraq and encouraged Foreign Minister Al Sahaf to bring his influence to bear to resolve this issue without delay[2].

23. The Director General also made it clear that the IAEA's focus on the implementation of the OMV did not foreclose the right of the IAEA to further investigate, at any time, any aspects of Iraq's former nuclear weapons programme on the basis of information deriving from Iraq's declarations, from the IAEA's inspection activities or from other sources, where, in the opinion of the IAEA, such further investigation was warranted. In response, Foreign Minister Al Sahaf pledged Iraq's commitment to co-operate with the IAEA in the resolution of any such matters, at any time.

IV. SUMMARY

24. The IAEA continues with the rigorous implementation of its Plan for the monitoring and verification of Iraq's compliance with Security Council resolutions through the resident inspectors of the Nuclear Monitoring Group with the assistance of, and in full co-ordination with, the Special Commission. As underlined in previous reports to the Council, the implementation of the OMV Plan does not foreclose the exercise by the IAEA

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[2] In February last, Iraq refused to provide facilities at the former Basrah International airport to facilitate UNSCOM's use of the L-100 fixed wing transport aircraft to provide logistical support for OMV inspections in southern Iraq. Additionally, there have recently been many attempts by Iraq to restrict the flight path of Chilean UH-1H helicopters, flown on behalf of UNSCOM and IAEA, citing the risks of traversing "free-fire zones" as justification. Neither UNSCOM nor IAEA have any knowledge of so-called "free-fire zones" or any obligation to modify flight paths to take account of them.

of its right to investigate further any aspects of the Iraq's former nuclear weapons programme. The Iraqi counterpart has continued its productive co-operation with the IAEA.

25. During the period under review the Nuclear Monitoring Group conducted more than 200 inspections at some 91 facilities, 28 of which had not previously been inspected. In the period since the last report to the Council, the IAEA has not detected in Iraq activities, equipment or materials proscribed by Security Council resolutions.

26. By letter dated 26 February 1997, Iraq provided a consolidated list of additions and revisions to its "full, final, and complete declaration" called for in Security Council resolution 707 (1991). The IAEA, assisted by Member State experts, is evaluating these additions and revisions to determine whether their incorporation into the current (third) draft of the FFCD will provide an acceptably comprehensive declaration of Iraq's former nuclear weapons programme.

27. There are many examples of Iraq's continuing ability to import technological equipment, although no instances have been detected where Iraq has not fulfilled its obligations under the OMV Plan or under the export/import regime established under UN Security Council resolution 1051 (1996).

28. It is essential that the difficulties currently being experienced with respect to the unrestricted rights of UNSCOM and IAEA to use fixed and rotary wing aircraft for overflights throughout Iraq ("for all relevant purposes, including inspection, surveillance, transportation and/or logistics" - paragraph 32 (d) OMV Plan) are quickly and unambiguously resolved. Regardless of any other considerations, Iraq's obstruction of these rights make it impossible to consider the ongoing monitoring and verification plan to be fully operational.

29. In discharging the tasks assigned to it, the IAEA continues to benefit from the strong support of the Council and from the assistance of Member States through the secondment of cost-free experts, the access to advanced technologies, and the provision of information and technical advice.